

VZCZCXRO3010
RR RUEHMR RUEHRN
DE RUEHLU #0127/01 0401129
ZNY CCCCC ZZH
R 091129Z FEB 07
FM AMEMBASSY LUANDA
TO RUEHC/SECSTATE WASHDC 3698
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

C O N F I D E N T I A L SECTION 01 OF 02 LUANDA 000127

SIPDIS

SIPDIS

STATE FOR AF FRONT OFFICE AND AF/S
USAID FOR AFR/SA IMACNARIN AND ELOKEN

E.O. 12958: DECL: 02/09/2017

TAGS: PREL PGOV EAID EPET PARM AO

SUBJECT: DAS CAROL THOMPSON VISIT TO CABINDA CHEVRON OIL
PLATFORM AND MUNICIPAL DEVELOPMENT PROGRAM

REF: A. LUANDA 104

¶B. LUANDA 110

Classified By: Amb. Cynthia Efird for reasons 1.4 (B) and (D)

¶1. (SBU) Summary. During AF DAS Carol Thompson's visit to Angola's oil-rich enclave of Cabinda, she traveled to Chevron's state of the art offshore deep water production and drilling platform and spoke at the launch of the USAID/Chevron-partnered Municipal Development Project, an innovative program designed to give Angolan citizens and community groups an increased say in the planning and delivery of municipal services. End Summary.

Chevron Production and Drilling Platform

¶2. (SBU) On January 31, 2007, AF DAS Carol Thompson visited Chevron's Benguela-Belize Lobito-Tomboco platform (BBLT), which simultaneously drills for and produces oil) over 100,000 barrels per day (bpd) of the 500,000 bpd Chevron produces in Angola. BBLT is the fifth tallest structure in the world (mostly underwater) and is a state of the art facility in deepwater oil production. Eighty-five percent of the employees working at BBLT are Angolans.

¶3. (U) BBLT is a key element in linked Chevron operations in Cabinda. Undersea pipes carry oil and gas from numerous offshore wells to the onshore Malongo light oil tank farm. Heavy oil is piped to a floating storage ship, which fills a million-barrel tanker every three days. The offshore Sanha gas processing factory injects gas from several offshore platforms into a depleted oil field. Chevron has invested USD 3.9 billion just in BBLT and Sanha. When Angola's liquefied natural gas (LNG) plant goes into operation, the gas now being stored will be recovered for processing. Chevron operations are environmentally neutral.

Public-Private Partnership in Action

¶4. (SBU) DAS Thompson and Joao Mesquita, Vice Governor of Cabinda Province, spoke at the launch of Cabinda's Municipal Development Program (MDP), before an audience of provincial officials, NGO representatives, Cabindan citizens and the press. The USAID program is co-sponsored by Chevron in Cabinda and will be implemented by the Development Workshop NGO on behalf of a consortium led by CARE. It aims to increase public and government cooperation to create improved services delivery. The program includes the development of municipal profiles, which assist planning by mapping social indicators. (Note: This project will also be implemented in Cuando Cubango, Bie, Lunda Norte and Huambo Provinces. Lazare Kaplan International (LKI) will be the project's corporate sponsor in the diamond producing Lunda Norte

Province, Chevron in the other provinces. End note.) Deputy governor Joao Mesquita,s acknowledged the importance of community groups in creating basic services which would, in turn, broaden economic opportunities for Cabinda.

¶5. (SBU) Robert Jan Bulten of CARE confirmed that CARE had equivalent teams in each of the five MDP provinces. One audience member commented that while Cabinda is less developed than other parts of Angola, the community involvement in municipal planning could make it a model for the rest of the country.

Cabinda: Translating Oil Resources to Social Gain

¶6. (SBU) Angola,s northernmost province, Cabinda, borders Congo-Brazzaville and the DROC, separated by roughly 25 kms from the main body of Angola. Cabinda city is more town than thriving city; for example, only the streets in the central area are paved. Under a 1994 law, the Cabindan provincial government receives ten percent of the taxes on oil revenues from oil produced in Cabinda. This amounts roughly to about one percent of the oil revenues or several million dollars per month. Chevron,s modest two-story headquarters will be an urban landmark when completed.

¶7. (C) The Cabindan Peace Accord appears to have produced a sense of calm in the city. While there have been recent unconfirmed reports of a few skirmishes between Angolan Armed Forces (FAA) and insurgents in the province, there was no feeling of unease or signs of violence in the city. Chevron also told us that it has the best capacity for air evacuation and air transport, as well as emergency medical service, in Cabinda and in the past it had been called upon to help provide medical treatment to victims of FAA-insurgent clashes. This has not occurred during the last year. In

LUANDA 00000127 002 OF 002

fact, one Chevron employee in the group observed that conditions in Cabinda had improved such that Chevron employees are now permitted to travel into town in an unescorted vehicle whereas a year ago this was not allowed.

¶8. (SBU) Comment: Cabinda,s provincial government has been criticized for the quality of its governance, and appears to view the MDP as an opportunity to manage potential discontent by identifying and acting on the priority concerns of its citizens. It has also been criticized for not having more to show (roads and infrastructure) given its oil income. That addition income should provide the provincial government with some budgetary independence in developing such an interactive program. End Comment.

¶9. (U) DAS Thompson has cleared this cable.
EFIRD